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January 6, 2004

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Additional Alternate Unit Wells

Hosston Zone, Reservoir A

HOSS RA SU 11, HOSS RA SU13, HOSS RA SU24, and HOSS RA SU25

Cotton Valley Formation, Reservoir A

CV RA SU 11, CV RA SIU13, CV RA SU24, and CV RA SU25

Lower Cotton Valley Zone, Reservoir A

LCV RA SU A, LCV RA SU L, LCV RA SU 59 and LCV RA SU66

Elm Grove Field, Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **CAMTERRA RESOURCES, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, Elm Grove Field, Caddo Parish, Louisiana.

FOR THE HOSS RA SU11, CV RA SU11, LCV RA SU 66:

1. To permit the applicant to drill, designate and utilize their Island Plantation No. 1 Well as additional alternate unit well for the production of gas and condensate from the Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, in exception to the spacing provisions of the 361-A, 361-B and 361-E Series of Office of Conservation Orders, such unit and well shown on the attached plat and made a part hereof.

FOR THE HOSS RA SU13, CV RA SU13 AND THE LCV RA SU59:

1. To permit the applicant to drill, designate and utilize their Lister No. 3 Well as an alternate unit well for the production of gas and condensate from the Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, in exception to the spacing provisions of the 361-A, 361-B and 361-E Series of Office of Conservation Orders, such unit and well shown on the attached plat and made a part hereof.

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FOR THE HOSS RA SU24, CV RA SU24 and LCV RA SUA:

1. To permit the applicant to drill, designate and utilize their Fiest No. 3 Well and their Roos No. 6 Well as additional alternate unit wells in exception to the spacing provisions of the 361-A, 361-B and the 361-E Series of Office of Conservation Orders, as additional alternate unit wells for the production of gas and condensate from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, such unit and wells shown on the attached plat and made a part hereof.

FOR THE HOSS RA SU25, CV RA SU25 and LCV RA SUL:

1. To permit the applicant to drill, designate and utilize their Cowell 12 No. 1 Well, Cowell 12 No. 2 Well, their Murphy No. 9 Well and their Killen No. 17 Well as additional alternate unit wells, in exception to the spacing provisions of the 361-A, 361-B and the 361-E Series of Office of Conservation Orders, for the for the production of gas and condensate from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, such unit and wells shown on the attached plat and made a part hereof.

FOR THE HOSS RA SU11, CV RA SU 11, LCV RA SU6, THE HOSS RA SU24, CV RA SU24, LCV R SUA AND THE HOSS RA SU25, CV RA RU 25, LCV RA SUL:

1. To find that alternate unit well(s) is/are needed on each unit to assists in draining a portion of each unit that cannot be drained by any other well located therein.
2. To permit the unit operator to produce the assigned unit allowable from the unit well, the alternate unit well(s) or from a combination thereof at the discretion of the unit operator.
3. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Hosston Zone, Reservoir A, was defined in the 361-A Series of Office of Conservation Orders, the Cotton Valley Formation, Reservoir A, was defined in the 361-B Series of Office of Conservation Orders and the Lower Cotton Valley Zone, Reservoir A, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996, all in the Elm Grove Field, Bossier, Caddo and Webster Parishes, Louisiana.

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The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

The subject matter of this hearing does not require a pre-application notice.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Attached hereto is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

A handwritten signature in black ink, appearing to read "B F Anderson", with a long horizontal flourish extending to the right.

B. F. Anderson, PE for
CAMTERRA RESOURCES, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties

